

COUNTY OF LOS ANGELES – DEPARTMENT OF MENTAL HEALTH

FACT SHEET

**APPROVAL TO AMEND SOLE SOURCE CONSULTANT SERVICES AGREEMENT
WITH OUTLOOK ASSOCIATES, LLC AND QUALIS HEALTH
FOR FISCAL YEARS 2009-10 THROUGH 2011-12
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval to amend a sole source Consultant Services Agreement with Outlook Associates, LLC and Qualis Health to extend the term of the Agreement and increase the Maximum Compensation Amount for additional consulting services related to the Integrated Behavioral Health Information System Project.

REQUEST

Approve and authorize the Director of Mental Health, or his designee, to prepare, sign, and execute Amendment No. 3, substantially similar to Attachment I, extending the term of the existing Department of Mental Health (DMH) sole source Consultant Services Agreement No. DMH-02445 with Outlook Associates, LLC and Qualis Health (hereafter "Outlook") eighteen months from November 1, 2009, to April 30, 2011, and providing thereafter for a month-to-month extension for up to six months at the discretion of the Director. The Amendment will also increase the Maximum Compensation Amount (MCA) by \$39,700, from \$977,002 to \$1,016,702 for Fiscal Years (FYs) 2009-10 through 2011-12 fully funded by Mental Health Services Act (MHSA) funds, for the provision of additional consultation and technical assistance related to the Integrated Behavioral Health Information System (IBHIS) Project. This Amendment will be effective November 1, 2009.

Delegate authority to the Director of Mental Health, or his designee, to prepare, sign, and execute future amendments to this Consultant Services Agreement and establish as a new MCA the aggregate of the original Agreement and all amendments through and including this amendment provided that: 1) the County's total payments to Consultant under this Agreement for each fiscal year shall not exceed an increase of 20 percent from the applicable MCA; 2) any such increase shall be used to provide additional services or to reflect program and/or policy changes; 3) your Board has appropriated sufficient funds for all changes; 4) approval of County Counsel, the Chief Executive Officer (CEO) and the County's Chief Information Officer (CIO), or their designee, is obtained prior to any such amendment; 5) the parties may by written amendment mutually agree to reduce programs or services without reference to the 20

percent limitation; and 6) the Director of Mental Health shall notify the Board of Agreement changes in writing within 30 days after execution of each amendment.

PURPOSE/JUSTIFICATION

The recommended actions will extend the term of the current Agreement, which expires on October 31, 2009, to April 30, 2011, and increase the MCA by \$39,700 to ensure uninterrupted, continuous consultation and technical assistance needed to reissue the IBHIS Request for Proposals (RFP) with revised specifications that meet State mandates and County policies.

In September 2008, DMH released the IBHIS RFP. However, unforeseen changes by the State in the payment process to County providers changed the documented functional requirements necessary for the IBHIS project. Consequently, in April 2009, DMH canceled the RFP to address these State mandated changes. These changes include revising existing IBHIS RFP requirements for an accounts payable module to improve monitoring payments to providers based on contractual limits. In addition, requirements for an accounts receivable module are being modified to improve monitoring of revenue based on the claims submitted to external payers (i.e., Medi-Cal and Medicare). DMH is currently in collaboration with Outlook to draft a revised RFP to be issued in November 2009. The revised RFP, evaluation methodology, and evaluation tools must also incorporate the Evaluation Methodology for Proposals (Policy No. 5.054) and the revised policy on Services Contract Solicitation Protest (Policy No. 5.055).

Consequently, additional Consultant services are required to revise the RFP. Further, while Consultant completed the deliverables related to the issuance of the RFP, a number of tasks will have to be repeated by Consultant to the degree necessary to complete work impacted by the need to reissue a revised RFP and to revise the RFP evaluation tools. However, to reduce costs, Consultant's work has been reduced to the minimum necessary to revise and reissue the RFP and complete the evaluation.

BACKGROUND

On September 17, 2008, the IBHIS RFP was released. However, during the evaluation process, DMH's requirements for the IBHIS changed significantly, including those mandated by the State with respect to the way DMH processes contract provider claims for reimbursement and payments to contract providers. Subsequently, after careful deliberation, on April 2, 2009, DMH invoked its right to cancel the IBHIS RFP effective immediately.

Furthermore, on March 31, 2009, the Board approved the Evaluation Methodology for Proposals Policy (Board Policy No. 5.054), establishing the Informed Averaging Method as the County of Los Angeles standard for scoring and evaluating competitive solicitations and revising the Countywide Services Contract Solicitation Protest Policy (Board Policy No. 5.055) to address vendor protests on solicitations related to Board-approved services contracts. These two Board policies impact the evaluation methodology developed by Outlook specifically for the IBHIS RFP evaluation process. All scoring and evaluation tools developed by Outlook must be revised to incorporate informed averaging for each evaluation category as described in the IBHIS RFP. Contractor must also ensure that any request for the release of proposal evaluation documents as a result of the revised Services Contract Solicitation Protest Policy can be provided by Contractor's evaluation tools in accordance with the revised policy.

CONTRACTING PROCESS

On April 18, 2006, your Board approved a sole source Consultant Services Agreement with Outlook based on its significant experience in specifying requirements based on industry standards for an electronic health record and providing evaluation tools for the selection of an information system for mental health service organizations in both the public and private sectors. Upon Board approval, DMH will allocate an additional \$39,700 to Outlook to continue to provide DMH with expert assistance in specification and selection of an IBHIS.

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